

Subpart 5301.90 - CLEARANCE

Parent topic: [Part 5301 - Federal Acquisition Regulations System](#)

5301.9000 Scope and Definitions

(a) This subpart establishes clearance requirements for the contract actions identified below:

(1) An action intended to result in award of any contract or modification of any contract;

(2) An action intended to result in definitization of an undefinitized contract action (UCA), an undefinitized change order, or an undefinitized long lead contract;

(3) An action intended to result in the pricing of:

(i) an unpriced option or an option with a not-to-exceed price;

(ii) provisioned items orders (PIO);

(iii) unpriced orders under Blanket Purchase Agreements (BPAs), and FSS contracts, including GWACs; or

(iv) noncompetitive task or delivery orders under single or multiple award indefinite delivery-type contracts.

(4) An action intended to result in issuance of a modification implementing a unilateral price determination;

(5) Orders issued under BOAs;

(6) An action intended to result in the exercise of an option when the option exercise is not in accordance with the previously approved pricing arrangement or other contract terms and conditions; and

(7) Competitive order solicitations and orders issued in accordance with FAR 8.4, 13, or 16.5 and against existing MAC ID/IQ, GWAC, or FSS contracts that require either one or both of the following:

i. Establishment of specific criteria for the evaluation of proposals and selection of the awardee for the order;

ii. Addition of any terms or conditions that are not included in the basic ID/IQ contract, and/or changes to the existing terms or conditions of the basic ID/IQ contract (except for provisions/clauses required by the FAR, DFARS, or AFFARS).

(b) Excluded from business or contract clearances are:

(1) Actions that create a UCA, undefinitized change order, undefinitized long lead contract;

(2) Modifications for the payment of incentives or award fee that are in accordance with the terms and conditions of the incentive plan or award fee plan;

(3) Funding modifications;

(4) Administrative modifications;

(5) Modifications solely for changes as a result of Service Contract Labor Standards statute wage rates/fringe benefits or Fair Labor Standards Act minimum wages; and

(6) Competitive order solicitations and competitive orders issued in accordance with [FAR 8.4](#), [13](#), or [16.5](#) against existing MAC ID/IQ, GWACs, and FSS contracts if they do not require either one or both of the following:

i. Establishment of specific criteria for the evaluation of proposals and selection of the awardee for the order;

ii. Addition of any terms or conditions that are not included in the basic ID/IQ contract, and/or changes to the existing terms or conditions of the basic ID/IQ contract.

(c) "Business Clearance" means:

(1) For competitive acquisitions, approval to issue the solicitation.

(2) For noncompetitive contract actions, approval to begin negotiations.

(d) "Begin negotiations" means, for the purpose of noncompetitive contract actions, starting discussions with an offeror for the purpose of reaching agreement on all aspects of the proposal. Initiation of audits and fact-finding necessary to evaluate the proposal and develop the Government's negotiation objective do not constitute negotiations.

(e) "Contract Clearance" means:

(1) For competitive acquisitions conducted without discussions, approval by the clearance approval authority (CAA) for the Source Selection Authority (SSA) to make the decision to award.

(2) For competitive acquisitions with discussions -

(i) Approval by the CAA for the SSA to request final proposal revisions in accordance with FAR 15.307; and

(ii) Approval by the CAA for the SSA to make a source selection decision.

(3) For noncompetitive contract actions, approval by the CAA to award a contract or contract modification/contract action.

(f) "Clearance Reviewer (CR)" means the independent reviewer and the primary advisor to the CAA for clearance. The CR ensures the CAA has the information needed to make an informed decision. The CR identifies deficiencies, assists in resolution, and advises the CAA as appropriate. When the CR is not from the designated CR office or individual identified in the PGI and is selected by the CAA, the CR must be an experienced contracting professional, a Government employee, and must not review their own contract action.

(g) "Clearance Approval Authority (CAA)" means the individual identified at 5301.9001(i)(1).

(h) "Clearance Review" means the independent review performed by the designated CR office or individual identified in the PGI, or as otherwise selected by the CAA.

5301.9001 Policy, Thresholds, and Approvals

(a) The objectives of the business and contract clearance process are to ensure that:

- (1) Contract actions effectively implement approved acquisition strategies;
- (2) Negotiations and contract actions result in fair and reasonable business arrangements;
- (3) Negotiations and contract actions are consistent with laws, regulations, and policies; and
- (4) An independent review and assessment by the clearance authority for the proposed contract action is accomplished.

(b) The CAA must ensure that the clearance process meets the objectives in paragraph (a) above. See AF PGI 5301.9001(b) for guidance on the use of multi-functional independent review teams (MIRTS) in conjunction with competitive acquisitions.

(c) The CAA must seek legal advice (see 5301.602-2(c)(i)) and ensure that counsel has coordinated on any clearance briefings or presentations, and that counsel's comments are included in the briefing or presentation.

(d) Only one clearance review may be performed prior to the contract action being presented to the CAA. The CR is responsible for the clearance review. The CAA may select an alternate CR who meets the requirements identified in paragraph 5301.9000(f). The CAA, in conjunction with the SCO, has the authority to waive the clearance review.

(e) At the discretion of the CAA, contract clearance is not required when the negotiation team stays within the pre-set negotiation range and the parameters approved at the business clearance.

(f) If a CAA requires clearance for competitive order solicitations or orders when excluded in accordance with 5301.9000(b)(6), the SCO must submit a written justification to [SAF/AQC](#) upon execution.

(g) The Source Selection Authority (SSA) must not be the CAA

(h) The Milestone Decision Authority, PEO, or lead program manager must coordinate and/or participate in business clearance briefings.

(i) Contract actions meeting the contract value thresholds set below must not be awarded without obtaining the required [business and contract clearance approval](#). Contract value is determined by the definition in FAR 1.108(c) and AF PGI 5301.108(c).

(1) Clearance Approval:

(i) The DAS(C) or ADAS(C) is the business clearance approval authority for all contract actions $\geq \$1B$; and any other contract action identified as special interest by the DAS(C) or ADAS(C) regardless of dollar amount. The DAS(C) or ADAS(C) may delegate clearance authority on a case-by-case basis. The procedures in MP5301.9001(i)(1)(i) must be followed for clearance with the DAS(C) or ADAS(C). SCOs retain contract clearance approval authority.

(ii) The CAA is the approval authority for all contract actions as delegated in TABLE 1 below. The Table 1 thresholds represent the minimum delegation that must be made. SCOs may increase the

specified dollar thresholds at their discretion.

(iii) If a SCO reduces the thresholds or withholds the clearance approval authority from the designees in TABLE 1 below, the SCO must notify [SAF/AQC](#) . If the SCO reduces or withholds clearance approval authority for more than six months, the SCO must brief the DAS(C) regarding the circumstances surrounding the decision.

Unit	Clearance Approval Authority	Clearance Approval Authority	Clearance Approval Authority \geq \$1B
Operational	COCO \leq \$10M	SCO > \$10M to < \$1B	DAS(C) / ADAS(C)
Enterprise	COCO \leq \$50M	SCO > \$50M to < \$1B	DAS(C) / ADAS(C)
PEO (Systems)	COCO \leq \$100M	SCO > \$100M to < \$1B	DAS(C) / ADAS(C)

TABLE 1(iv). To facilitate planning for SAF/AQC Clearance approvals, SCOs must use the [reporting tool](#) to project SAF/AQC Clearance approvals.

(2) For PEO and Enterprise contracting, business and contract clearance are required for actions greater than or equal to \$5M.

(3) For Operational contracting, business and contract clearance are required for actions greater than or equal to \$3M.

(4) SCOs are responsible for ensuring all further delegations of clearance approval authorities are included in the PGI.

(5) When a contracting official is the Source Selection Authority (SSA) for a particular acquisition, the CAA must be a level above the contracting official. If the SCO or their deputy is the SSA, the CAA for that acquisition must be the DAS(C)/ADAS(C). [Clearance requests](#) must be sent to [SAF/AQC](#) for approval by the DAS(C)/ADAS(C).